

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name PERE MARQUETTE DISTRICT LIBRARY	County
Audit Date JUNE 30, 2005	Opinion Date JUNE 30, 2005	Date Accountant Report Submitted to State: AUGUST 16, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

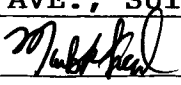
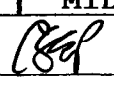
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) BURNSIDE & LANG, P.C.			
Street Address 5915 EASTMAN AVE., SUITE 100	City MIDLAND	State MI	ZIP 48640
Accountant Signature  CPA  8/16/05			

**PERE MARQUETTE
DISTRICT LIBRARY**

Clare, Michigan

FINANCIAL STATEMENTS

**For The Period
Feb 22, 2005 – June 30, 2005**

PERE MARQUETTE DISTRICT LIBRARY

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Independent Auditors' Report

Members of the Board of Trustees
Pere Marquette District Library
Clare, Michigan

We have audited the accompanying financial statements of the governmental activities of the Pere Marquette District Library ("the Library"), Clare, Michigan, as of and for the period ended June 30, 2005 which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above do not include the Management Discussion and Analysis, which is required supplementary information and should be included in order to conform to accounting principles generally accepted in the United States of America.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Pere Marquette District Library, Clare, Michigan, as of June 30, 2005, and the respective changes in financial position for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on page 10 is not a required part of the basic financial statements but is supplementary. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Burnside & Lang, P.C.

Midland, Michigan
July 14, 2005

PERE MARQUETTE DISTRICT LIBRARY
BALANCE SHEET/STATEMENT OF NET ASSETS
June 30, 2005

	General Fund Modified Accrual	Adjustments Fixed Assets	Statement of Net Assets
ASSETS AND OTHER DEBITS			
Assets			
Cash and cash equivalents	\$ 262,366	\$ -	\$ 262,366
Investments	320,375	-	320,375
Pledges receivable (net of allowance)	479,381	-	479,381
Capital assets, net	-	2,363	2,363
	<u>-</u>	<u>2,363</u>	<u>2,363</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 1,062,122</u>	<u>\$ 2,363</u>	<u>\$ 1,064,485</u>
LIABILITIES, FUND BALANCE AND OTHER CREDITS			
Liabilities			
Accounts payable	\$ 3,092	\$ -	\$ 3,092
Accrued payroll and benefits	24,246	-	24,246
	<u>27,338</u>	<u>-</u>	<u>27,338</u>
Total liabilities	<u>27,338</u>	<u>-</u>	<u>27,338</u>
Fund balance and other credits			
Fund balance:			
Reserved (current income)	1,034,785	(1,034,785)	-
Unreserved	-	-	-
	<u>1,034,785</u>	<u>(1,034,785)</u>	<u>-</u>
Total fund balance and other credits	<u>1,034,785</u>	<u>(1,034,785)</u>	<u>-</u>
TOTAL LIABILITIES, FUND BALANCE AND OTHER CREDITS	<u>\$ 1,062,122</u>		
Net Assets			
Invested in capital assets		2,363	2,363
Unrestricted		1,034,785	1,034,785
TOTAL NET ASSETS		<u>\$ 1,037,148</u>	<u>\$ 1,037,148</u>

The accompanying notes are an integral part of these financial statements.

PERE MARQUETTE DISTRICT LIBRARY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
For the Period February 22, 2005 thru June 30, 2005

	General Fund		Statement of
	Modified Accrual	Adjustments	Activities
Revenue			
Contributions	\$ 1,084,701	\$ -	\$ 1,084,701
Contribution from Garfield Memorial Library	\$ 81,725	\$ -	\$ 81,725
State penal fines	5,368	-	5,368
City tax/local contracts	6,744	-	6,744
Interest income	215	-	215
Grants and memorials	3,148	-	3,148
Investment income	2,744	-	2,744
Other	3,275	-	3,275
	<hr/>	<hr/>	<hr/>
Total revenue	1,187,919	-	1,187,919
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Salaries and wages	26,542	-	26,542
Employee benefits and taxes	12,153	-	12,153
Campaign A/R uncollectable	16,042	-	16,042
Professional services	73,209	-	73,209
Utilities	3,742	-	3,742
Insurance	289	-	289
Communications	1,267	-	1,267
Repairs and maintenance	1,548	-	1,548
Rent	-	-	-
Operating supplies and expenses	4,973	-	4,973
Campaign materials, video, ads	1,451	-	1,451
Seminars, conferences and travel	4,003	-	4,003
Contingency	2,039	-	2,039
Postage	423	-	423
Miscellaneous	726	-	726
Capital outlay			-
Library materials	4,726	(4,726)	-
Depreciation expense	-	2,363	2,363
	<hr/>	<hr/>	<hr/>
Total expenditures	153,134	(2,363)	150,771
	<hr/>	<hr/>	<hr/>
Revenues over expenditure:	1,034,785	2,363	1,037,148
Fund balance/net assets - beginning of period	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balance/net assets - end of period	\$ 1,034,785	\$ 2,363	\$ 1,037,148
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The accompanying notes are an integral part of these financial statements.

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pere Marquette District Library (the "Library") is a governmental entity. The accounting policies of the Library conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

The Library was spun off from the City of Clare (the "City") to operate as an independent body with its own board of trustees and its own contribution campaign. The Library became a separate entity as of February 22, 2005. Transfer of assets and liabilities was done between the Garfield Memorial Library (former component unit of City of Clare) to the Pere Marquette District Library. The amount of the transfer was \$81,725 as indicated within the June 30, 2005 Statement of Revenue, Expenditures, and Changes in Fund Balance. The Library is governed by a Board (the "Library Board") which consists of five members. Four members are appointed by each of the participating municipalities, and the fifth appointed by one of the municipalities on a rotating basis.

The Library has followed the guidelines of the Governmental Accounting Standards Board's Statement No. 14, and has determined that no entities should be consolidated into its general purpose financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. The criteria for including a component unit include significant operational or financial relationships with the Library.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the Library are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one fund type and two account groups. The government reports the following major fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

D. Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of materials or services. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year.

E. Assets, Liabilities, and Net Assets

Bank Deposits and Investments—Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Assets (continued)

Receivables and Payables—In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.”

Prepaid Items—Certain payments to vendors reflect cost applicable to future years and are recorded as prepaid items in the government-wide and fund statements.

Capital Assets—Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets are properly depreciated in accordance with GASB 34 rules, along with the respective accumulated depreciation amounts.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Computer equipment	3 years
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Fund Equity—In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Wages and Benefits—The City of Clare is currently leasing the employees of the Library, to the Library. The City of Clare is responsible for the appropriate tax treatment, and related benefit payment amounts. This is represented as a liability on the Library’s Financial Statements.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information—Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the debt service funds. All annual appropriations lapse at fiscal year end. The General Fund budget is adopted at the fund level as presented in the financial statements, and amended as necessary during the year. The budget document presents information by fund, function, department or activity, and line items. The budget is not a line item budget. The line item detail is provided for management analysis only. The legal level of budgetary control adopted by the governing body is the department or activity level.

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds—During the year, the Library did not incur expenditures in certain budgeted funds which were in excess of the amounts appropriated.

NOTE 3. DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Library to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Library is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers acceptances of United States banks' commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Library Board has designated five banks for the deposit of Library funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of State statutory as listed above.

The Library's deposits and investment policy are in accordance with statutory authority.

At June 30, 2005, the Library's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Total
Cash and cash equivalents	\$ 262,366	\$ 262,366

At June 30, 2005, the carrying amount and bank balance of the Library's cash and cash equivalents is classified as to risk as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 100,000	\$ 100,000
Uninsured – uncollateralized	162,366	167,098
	<u>\$ 262,366</u>	<u>\$ 267,098</u>

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2005, the carrying amount and bank balance of the Library's investment account is classified as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Money Fund	\$ 726	\$ 726
Taxable Bonds	319,649	319,649
Total:	<u>\$ 320,375</u>	<u>\$ 320,375</u>

NOTE 4. CAPITAL ASSETS

Capital asset activity of the Library for the current year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Library Collection	0	777,007	-	777,007
Capital Assets Being Depreciated				
Computer Equipment	69,800	4,726	-	74,526
Subtotal	69,800	-	-	74,526
Less Accumulated Depreciation for Computer Equipment	69,800	2,363	-	72,163
Subtotal	69,800	2,363	-	72,163
Net Capital Assets Being Depreciated	<u>\$ -</u>	<u>\$ 2,363</u>	<u>\$ -</u>	<u>\$ 2,363</u>

The Library, in accordance with GASB 34, has adopted a capitalization policy of \$500. Capital items not being depreciated consist of the Library Collection, which is an estimated value of the Library's books, videos, and reference material. The Collection is valued at \$777,007, and was the amount transferred from the Garfield Memorial Library at the inception of the Pere Marquette District Library.

NOTE 5. SUBSEQUENT EVENTS

The Library is in the process of a capital campaign to raise money for both the construction of a new building for the Library, and the operation of the Library. The Library has attempted to obtain pledges, which are promises to give, from local foundations and private donors. These pledges could be paid to the Library immediately along with the pledge, or in any combination of time frame up to a 3 year period.

PERE MARQUETTE DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5. SUBSEQUENT EVENTS (Continued)

The remaining balance from pledge donors shown as pledges receivable at June 30, 2005 is \$479,381 (net of allowance).

Per GASB 33 and GASB 34, the Library has elected not to discount their pledges receivable. This standard neither prohibits, nor requires the discounting of receivables, and we believe the balance of receivables collectible is properly reflected within the financial statements.

The Library also has a commitment that was transferred from the City of Clare when the Library was formed. The Library may borrow up to \$1.5 million for the building of a new library. Neither funds, nor expenses related to this loan were incurred during the period under audit, but we expect these to happen in the forthcoming period.

NOTE 6. LEASES

The Library rents building space for its branch under an operating lease on a month-to-month basis from the City of Clare. Total rent expense under this operating lease for the year ended June 30, 2005, was \$1.

NOTE 7. RISK MANAGEMENT

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library leases its employees from the City of Clare, thus reporting a liability owed to the City. The City handles all payroll and tax issues, and thus the City carries the commercial insurance for general liability, property casualty and health claims and workers' compensation.

NOTE 8. PENSION PLAN

The pension plan is also provided by the City, as Library employees are leased through the City of Clare. No pension expense is recorded on the Library's general ledger.

NOTE 9. FUND BALANCE RESERVES

Reserves represent those portions of fund balance not available for expenditure or legally segregated for a specific future use. The reserves of fund balance at June 30, 2005, are comprised of the following:

Building of Library (Reserved)	\$	973,351
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PERE MARQUETTE DISTRICT LIBRARY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Period February 22, 2005 thru June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Revenue				
Contributions	\$ 1,000,000	\$ 1,000,000	\$ 1,084,701	\$ 84,701
Contribution from Garfield Library	\$ 81,725	\$ 81,725	\$ 81,725	\$ 0
State penal fines	5,300	5,300	5,368	68
City tax/local contracts	5,438	5,438	6,744	1,306
Interest income	50	50	215	165
Grants and memorials	2,300	2,300	3,148	848
Investment income	-	-	2,744	2,744
Other	-	-	3,275	3,275
Total revenue	1,094,813	1,094,813	1,187,919	93,106
Expenditures				
Current:				
Salaries and wages	61,500	61,500	26,542	34,958
Employee benefits and taxes	19,620	19,620	12,153	7,467
Campaign A/R uncollectable	-	-	16,042	(16,042)
Professional services	74,091	74,091	73,209	882
Utilities	5,326	5,326	3,742	1,583
Insurance	1,200	1,200	289	911
Communications	1,745	1,745	1,267	478
Repairs and maintenance	1,300	1,300	1,548	(248)
Rent	-	-	-	-
Operating supplies and expenses	3,015	3,015	4,973	(1,958)
Campaign materials, video, ads	4,000	4,000	1,451	2,549
Seminars, conferences and travel	3,000	3,000	4,003	(1,003)
Contingency	7,550	7,550	2,039	5,511
Postage	3,000	3,000	423	2,577
Miscellaneous	134	134	726	(592)
Capital outlay				
Library materials	4,300	4,300	4,726	(426)
Depreciation expense	-	-	-	-
Total expenditures	189,781	189,780	153,134	36,646
Revenues over expenditure:	905,032	905,032	1,034,785	129,752
Fund balance - beginning of year:	-	-	-	-
Fund balance - end of year	\$ 905,032	\$ 905,032	\$ 1,034,785	\$ 129,752

The accompanying notes are an integral part of these financial statements.



Accounting Solutions That Foster Success

Members of the Board of Trustees
Pere Marquette District Library
Clare, Michigan

In planning and performing our audit of the general purpose financial statements of the Pere Marquette District Library for the year ended June 30, 2005, we considered the Library's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal controls. Our consideration of internal controls would not necessarily disclose all matters in the internal control process that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that misstatements caused by errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The attached suggestion is submitted to assist in improving procedures and controls, and to emphasize importance.

This report is intended solely for the information and use of the Board of Trustees and management of the Pere Marquette District Library and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We would be pleased to discuss the following matter or to respond to any questions, at your convenience.

A handwritten signature in dark ink, appearing to read "Burnside & Lang, P.C.", is written in a cursive, flowing style.

Midland, Michigan
July 14, 2005

INTERNAL CONTROLS

Financial Oversight

Although the Pere Marquette District Library (the "Library") has good segregation of duties, there are general limitations that cannot be overcome in smaller organizations like the Library. The Library requires that the Board of Trustees continue to remain involved in the financial affairs of the organization through oversight of operations, development of the Library budget, inquiries about variances between budgeted and actual amounts expected in the financial statements, and the independent review of critical functions. Based on our inquiries, the Board of Trustees performs these duties and our comment here is intended to emphasize the importance of the Board of Trustee's financial oversight role.